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STATE OF MONTANA

(406) 444-2875 MILK CONTROL BUREAU

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BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

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Due to the latest data available as of February 5, 1996, as applied to the Producer Formula the Producer Formula Index has been calculated to be **273.57**. (Docket #69-84, first price announcement effective 7/01/84)

MINIMUM PRODUCER CLASS I PRICE IN MONTANA — REF: ARM 8.86.301(3)

EFFECTIVE March 1, 1996, the minimum price to be paid milk producers, under ARM 8.86.301, will be **$15.88** per hundred pounds of milk testing 3.5% butterfat, f.o.b. the distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of nine cents for each one-tenth of one percent butterfat above or below the midpoint to each producer payment. The value of one pound of butterfat utilized will be ninety cents ($.90).

MINIMUM PRODUCER CLASS II PRICE IN MONTANA — REF: ARM 8.86.301(4)

CLASS II PRICE FOR MILK TESTING 3.5%				$11.53 /CWT
Average spray process dry milk solids price per pound	=	$1.15050		
Multiplied by 8.2	x	8.2		
		$9.43410		$9.43410
	PLUS +			
Average Grade 'A' 92 score butter price per pound	=	$0.75500		
Multiplied by 4.2	x	4.2		
		$3.17100	+	$3.17100
				$12.60510
LESS 8.5% (		$12.60510 X .085)	-	$1.07143
				$11.53367

Rounded to the nearest whole cent = $11.53/hundredweight.

CLASS II BUTTERFAT PRICE PER POUND				$0.85 /LB
Butterfat differential	($0.75500 X .111)	=	$0.08381	
Rounded to the nearest half cent	=		$0.085	

CLASS II VALUE OF ONE POUND OF SKIM			$0.08865 /LB
Butterfat value per pound for milk at 3.5% test:	= $0.85		
Hundredweight price of milk testing 3.5%		=	$11.53
LESS 3.5 pounds of butterfat at	$0.85 per pound	-	$2.975

Value of 96.5 pounds of skim		=	$8.555
Value of one pound of skim	(8.555 ÷ 96.5 pounds)	=	$0.08865 /LB

PRODUCER CLASS III PRICE IN MONTANA REF: ARM 8.86.301(5)

CLASS III BUTTERFAT PRICE PER POUND			$0.68 /LB
Avg. Grade 'A' 92 score butter price/LB	$0.75500		
LESS 10%	- $0.07550		

	$0.67950		
Rounded to the nearest whole cent	= $0.68 per pound.		

CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED			$7.83 /CWT
Avg. spray process dry milk solid price/LB	$1.15050		
Multiplied by 8.2	x 8.2		

	$9.43410		
	$1.60380		

	$7.83030		
Rounded to the nearest whole cent	= $7.83 per hundredweight.		

CLASS III PRICE PER CWT FOR MILK TESTING 3.5%			$9.94 /CWT
3.5 pounds of butterfat	x $0.68 per pound =		$2.380
96.5 pounds of skim	x $0.07830 per pound =		$7.556

			$9.936 /CWT

BY ORDER OF THE MONTANA MILK CONTROL BUREAU

Compiled by: Marlys M. Koontz

Marlys M. Koontz, Admin. Assistant
Montana Milk Control Bureau

BREAKDOWN BY TEST FOR CLASS I, II & III SKIM PRICES

CLASS I SKIM PRICE BASED ON $15.88 FOR 3.5% MILK 96.5 LBS. = $12.905		CLASS II SKIM PRICE BASED ON $11.53 FOR 3.5% MILK 96.5 LBS. = $8.800		CLASS III SKIM PRICE BASED ON $9.94 FOR 3.5% MILK 96.5 LBS. = $7.787	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	$0.13236	2.50	$0.09026	2.50	$0.07987
2.55	$0.13243	2.55	$0.09030	2.55	$0.07991
2.60	$0.13249	2.60	$0.09035	2.60	$0.07995
2.65	$0.13256	2.65	$0.09040	2.65	$0.07999
2.70	$0.13263	2.70	$0.09044	2.70	$0.08003
2.75	$0.13270	2.75	$0.09049	2.75	$0.08007
2.80	$0.13277	2.80	$0.09053	2.80	$0.08011
2.85	$0.13284	2.85	$0.09058	2.85	$0.08015
2.90	$0.13290	2.90	$0.09063	2.90	$0.08020
2.95	$0.13297	2.95	$0.09067	2.95	$0.08024
3.00	$0.13304	3.00	$0.09072	3.00	$0.08028
3.05	$0.13311	3.05	$0.09077	3.05	$0.08032
3.10	$0.13318	3.10	$0.09082	3.10	$0.08036
3.15	$0.13325	3.15	$0.09086	3.15	$0.08040
3.20	$0.13332	3.20	$0.09091	3.20	$0.08044
3.25	$0.13339	3.25	$0.09096	3.25	$0.08049
3.30	$0.13345	3.30	$0.09100	3.30	$0.08053
3.35	$0.13352	3.35	$0.09105	3.35	$0.08057
3.40	$0.13359	3.40	$0.09110	3.40	$0.08061
3.45	$0.13366	3.45	$0.09114	3.45	$0.08065
3.50	$0.13373	3.50	$0.09119	3.50	$0.08069
3.55	$0.13380	3.55	$0.09124	3.55	$0.08074
3.60	$0.13387	3.60	$0.09129	3.60	$0.08078
3.65	$0.13394	3.65	$0.09133	3.65	$0.08082
3.70	$0.13401	3.70	$0.09138	3.70	$0.08086
3.75	$0.13408	3.75	$0.09143	3.75	$0.08090
3.80	$0.13415	3.80	$0.09148	3.80	$0.08095
3.85	$0.13422	3.85	$0.09152	3.85	$0.08099
3.90	$0.13429	3.90	$0.09157	3.90	$0.08103
3.95	$0.13436	3.95	$0.09162	3.95	$0.08107
4.00	$0.13443	4.00	$0.09167	4.00	$0.08111
4.05	$0.13450	4.05	$0.09171	4.05	$0.08116
4.10	$0.13457	4.10	$0.09176	4.10	$0.08120
4.15	$0.13464	4.15	$0.09181	4.15	$0.08124
4.20	$0.13471	4.20	$0.09186	4.20	$0.08128
4.25	$0.13478	4.25	$0.09191	4.25	$0.08133
4.30	$0.13485	4.30	$0.09195	4.30	$0.08137
4.35	$0.13492	4.35	$0.09200	4.35	$0.08141
4.40	$0.13499	4.40	$0.09205	4.40	$0.08145
4.45	$0.13506	4.45	$0.09210	4.45	$0.08150
4.50	$0.13513	4.50	$0.09215	4.50	$0.08154